

Bloomberg Businessweek

April 18 — April 24, 2011 | businessweek.com

Sha Tin College Library

Textbook



M002945

businessweek



Politics & Policy

Technology

Markets & Finance

Opinion

Introducing Bloomberg Businessweek+

A new way to experience
the magazine on your iPad
Free with your subscription



**Download
now!**



Available on the
App Store

Bloomberg Businessweek

Contents

★★★★★
App store user rating

April 24, 2011
Businessweek

Opening Remarks

6

If Congress fails to raise the debt ceiling, the U.S. begins defaulting—and all hell breaks loose. But that won't stop the brinkmanship
Plus: Charlie Rose talks to Paul Ryan p9

Global Economics

11

Libya and the oil industry
Hedging bets with Qaddafi, talking to the rebels

China needs nuclear energy and nuclear safety p12
Why short sales of homes take so long p13
Argentina vs. the grain giants p15
Tom Keen's EconoChat p15
Seven days ahead p16

Companies & Industries

19

An Alfa Romeo makeover
Fiat needs a global luxury brand to boost its profitability. Alfa is the carmaker's only option

Adult supervision for American Apparel p21
Disney in China, take 2 p21
Sidney Harman: 1918-2011 p24
GE and Siemens seek profits in helping hospitals cut costs p24
Briefs p26

Politics & Policy

29

Elizabeth Warren's fate
She masterminded the new consumer protection agency. Her chances of running it now look slim

Fireworks in Costa Mesa over a move to lay off almost half the town's employees p30
Caterpillar in Colombia p32
Debt-busting: a global tour p35
Budget winners and losers p36

Technology

39

EBay's key to China
By linking Chinese exporters to global customers, the auction site is finally making inroads

Tilera builds a chip for the cloud computing age p41
Japanese shoppers loosen up online p42
Innovator: Making nuclear power safer and cleaner p43

Markets & Finance

45

Rajat Gupta and "friends"
Why the well-connected former chief of McKinsey started doing business with the wrong crowd

A \$1 billion price tag to stave off Energy Future's default p47
Goldman Sachs's slow progress in India p48
The shine is off the new GM p49
A hotel king is ready to sell p50
Bid & Ask: The week's deals p51

Education

53

MBAs off the beaten path
B-school career offices are chasing a new breed of employer for students looking beyond Wall Street

The pros and cons of T. Boone Pickens's generosity to alma mater Oklahoma State p54
Shanghai's high-impact education reforms p55
Speed Dial: Brown University President Ruth Simmons p55



Download now!

The new Bloomberg Businessweek iPad App



Features

58

This Bubble Is Different

Tech bubbles happen, but we usually gain from the innovation left behind. This one—driven by social networking—could leave us empty-handed p58

The Real Deficits of Nassau County

It's New York's wealthiest county, and one of the richest in the entire country. So how in the world did Nassau County manage to go broke? p66

A Battle Royale for Supercorn

Scientists are closing in on nitrogen-efficient corn. Success could slash America's \$8 billion fertilizer bill and boost air and water quality p72

Etc.

81

Welcome to the Balkan Riviera

Porto Montenegro is about to open for its first season. Bring on the oligarchs and their superyachts

Casting We asked the experts who should star in a Bernie Madoff biopic. For starters, picture Dustin Hoffman as the schemer himself p84

One True Thing A weekend bag that's logo-free and comfortable in a convertible p86

Spinoff The latest superfood—dragon fruit—is already a Febreze scent p87

Fashion Known as the Bra Whisperer, Susan Netherer has built her Intimacy lingerie chain into a 16-store fiefdom on the promise of a perfect fit p88

The Stack In Microsoft co-founder Paul Allen's new memoir, he drops names, settles scores, and explains what ails the behemoth he helped create p90

Hard Choices Areva's Anne Lauvergeon on nuclear power—and rejecting Sarkozy p92

Index

Page 29

Page 45



A	
Advanced Micro Devices (AMD)	41
Alibaba Group	39
AlixPartners	19
Allen, Paul	90
Alwaleed bin Talal, Prince	50
Alta Resources	51
Amazon.com (AMZN)	39, 60
Amazon Japan	42
Ambani, Mukesh	48
American Apparel (APP)	21
American Int. Group (AIG)	45
American Medical Systems (AMMD)	51
Americas Investment	26
AOL (AOL)	39
Apple (AAPL)	16, 90
Archer Daniels Midland (ADM)	15
Areva	92
Arvedlund, Eric	84
Aurelius Capital Mgmt.	47
B	
Baidu (BIDU)	39
Ballmer, Steve	90
Bank of America (BAC)	47, 48, 72
Barrick Gold (ABX)	81
Baucus, Max	6
Bayer CropSciences	72
Benchmark Asset Mgmt.	48
Bill Kirk	86
Blackstone Group (BX)	51
Blankfein, Lloyd C.	48
Blockbuster	21
BMW	19, 26
Bonderman, David	47
Boston Consulting Group	43
BP (BP)	48, 72
BP Capital	54
Bridgescap Partners	60
British Columbia Investment Management	51
Broadcom (BRCM)	41
Brown Jr., Paul	6
Bunge (BG)	15
C	
Calvin Klein (PVH)	21
Campbell Surveys	13
Cantor, Eric	6
Cargill	15
Carter, Jimmy	24
Caterpillar (CAT)	32
Chambliss, Saxby	6
Chancellor Capital Mgmt.	45
Chatterjee, Sonjoy	48
China Mobile (CHL)	39
Chrysler	19
Cirrus Logic (CRUS)	60
Cisco Systems (CSCO)	26, 41
Citigroup (C)	16, 32, 45
CLGX (CLGX)	13
Cloudera	60
Coburn, Tom	6
Color	60
Compaq (HPQ)	60
ConocoPhillips (COP)	11

Conrad, Kent	6
Copal Partners	48
Costco Wholesale (COST)	51, 90
Crapo, Mike	6
CreditSights	47
Crystal Lagoons	43
D	
Daimler (DAI)	19, 26
De Witte, Jan	24
Digital Sky Technologies	39
Dimon, Jamie	29
Dodd, Christopher	29
Dow AgroSciences (DOW)	72
Drexler, Mickey	14
Duncan, Arne	55
DuPont (DD)	72
Durbin, Dick	6
E	
EachNet	39
eBay (EBAY)	39
EDF	15
EiJet Aviation Services	81
Endo Pharmaceuticals (ENDP)	51
Energy Future Holdings	47
Eni (E)	11
Eton Park Capital Mgmt.	15
F	
Facebook	41, 60
Fannie Mae (FNMA)	13
FBR Capital Markets (FBCM)	50
Federated Prudent Bear Fund (BEARX)	58
Fernández de Kirchner, Cristina	15
Fiat	19
Filene's Basement (SYMS)	88
First Trust Advisors	58
Fischmann, Fernando	43
Fisher, Carrie	90
Flite	60
Ford Motor (F)	19, 49
Foxconn Technology	26
Freddie Mac (FMCC)	13
Freeman & Co.	48
G	
Gabriel, Peter	90
Galleries Lafayette	21
Galleon Group	45
Gap (GPS)	21, 50, 88
Gates, Bill	90
GDF Suez	15
GE Healthcare (GE)	24
Geithner, Timothy	6, 29
General Electric (GE)	24, 32
General Motors (GM)	19, 49, 60
Gerard, Leo	32
Gilt Japan	42
Glencore International	15
Global Crossing (GLBC)	51

GLS Japan	42
Golden Grain Energy	72
Goldman Sachs (GS)	15, 16, 26, 45, 48, 55, 88
Google (GOOG)	39, 41, 60, 90
Granholm, Jennifer	29
Groupon	39, 53, 60
Gucci	66
Gupta, Raj	45
H	
Hargis, V. Burns	54
Harman International Industries (HAR)	24
Hatzl, Jan	15
Hess (HES)	11
Hochtief	26
Hoffman, Dustin	19, 84
Homeland Energy Solutions	72
I	
Iacocca, Lee	19
ICICI Bank	48
IHS (IHS)	19
Intel (INTC)	16, 41, 60
Intimacy	88
J	
J.C. Penney (JCP)	88
J. Crew (JCG)	14
Johnson & Johnson (JNJ)	2, 16, 51
Johnson, Tim	29
JPMorgan Chase (JPM)	26, 29, 42, 47
K	
Katzman, Sarah	84
Kaufman, Ted	29
Kelman, Glenn	60
Kirk, Ron	32
KKR (KKR)	47
Kravis, Henry	47
L	
Lauvergeon, Anne	92
Level 3 Communications (LVL)	51
LVMH Moët Hennessy Louis Vuitton	42
M	
Mack, Doug	60
Madoff, Bernie	84
Ma, Jack	39
Mangano, Edward P.	66
Marathon Oil (MRO)	11
Marbridge Consulting	39
Marchionne, Sergio	19
Maritz, Philip "Flip"	50
Maritz Wolff	50
Marvell Technology (MRVL)	26
McKinsey	39, 45, 53

Metorex	51
Metro Phoenix Homes	13
Meyer Burger	51
Microsoft (MSFT)	39, 60, 90
Monitor Group	53
Monsanto (MON)	72
Motorola	41
Myspace (NWS)	39
N	
Naylor, Nancy	84
Nethero, Susan	88
NPD Group	88
Nvidia (NVDA)	26
Nypex	60
O	
Obama, Barack	24, 29, 55
Oberhelman, Douglas	32
OMV	11
One Kings Lane	60
OnLive	60
Oracle (ORCL)	41
Orlando Ferreres y Asociados	15
P	
Pacific BioSciences	60
Patil, DJ	60
Patil, Suhas	60
Petersen Group	15
Philadelphia Trust	66
Pickens, T. Boone	54
Piëch, Ferdinand	19
Plensa, Jaime	81
Power Finance	48
Price, Will	60
Procter & Gamble (PG)	45
Public Sector Pension Investment Board	51
R	
Rakuten	42
Ralph Lauren (RL)	21
Raymond James & Associates (RJF)	41
RBC Capital Markets	26
Real Capital Analytics	50
RealtyTrac	13
Redfin	60
Reliance Industries	48
Renault	26
Respol	15
Righeimer, Jim	30
Rivkin Radler	66
Roth & Rau	51
Rubio, Marco	6
Ryan, Paul	6, 35
S	
Samsung Electronics	41
Sanford C. Bernstein (AB)	19
Santos, Juan Manuel	32
Sarkozy, Nicolas	92
SC Johnson	2

Schlumberger (SLB)	11
Selfridges	21
Selig, Bud	50
SGS Group	19
Shell (RDSA)	11
Shulman, Douglas	36
Siemens (SI)	24, 32
Simmons, Ruth J.	55
Sina (SINA)	39
Soleil Securities	72
Sotheby's (BID)	51
Stack, Ronald A.	66
Sterne Agee & Leach	24
Strategic Vision	19
Sunstone Hotel Investors (SHO)	50
Suozzi, Tom	66
Syngenta (SYT)	72
T	
Taobao	39
Tencent Holdings	39
360buy.com	39
Thornburg Investment Mgmt.	47
Tiffany (TIF)	42
Tilera	41
Timber-West Forest	51
Time (TWX)	88
Tom Online	39
Toyota Motor (TM)	19
TPG Capital (TPG)	47
Trichet, Jean-Claude	48
20th Century Fox (NWS)	50
Twitter	39, 60
TXU	47

U	
UBS (UBS)	26, 48
United Technologies (UTX)	36
V	
Vale (VALE)	51
Van de Velde	88
Village Roadshow	21
Vista	90
Volkswagen	19
W	
Wachovia Bank (WFC)	45
Wal-Mart (WMT)	32
Walt Disney (DIS)	21
Warner, Mark	6
Warren, Elizabeth	29
Washington Post (WPO)	24
Wells Capital Management	58
Wells Fargo (WFC)	16, 26, 66
Wendland, Walt	72
Wolff, Lew	50
X Y Z	
Xerox (XRX)	88
Xilinx (XLNX)	41
Yahoo! (YHOO)	16, 39
Yara International	72
YouTube (GOOG)	39
YPF (YPF)	15
Yum! Brands (YUM)	16
Zuckerberg, Mark	39, 41, 60
Zynga	39, 60

Corrections & Clarifications

The cover of the Apr. 4-Apr. 10 issue referred to Johnson & Johnson as "The Family Company" in a headline noting recent recalls at the company. SC Johnson uses the tag line "A Family Company." These two companies are not affiliated in any way. We regret any confusion this may have caused.

How to Contact Bloomberg Businessweek

Editorial 212-617-6231 **Ad Sales** 212-617-2900 **Subscriptions** 800-635-1200
Address 731 Lexington Ave., New York, NY 10022
E-mail bwreader@bloomberg.net **Fax** 212-617-9065
Subscription Service PO Box 8418, Red Oak, IA 51591-1418
E-mail bwkcustserv@cdsfulfillment.com
Letters to the Editor can be sent by e-mail, fax, or regular mail. They should include address, phone number(s), and e-mail address if available. Connections with the subject of the letter should be disclosed, and we reserve the right to edit for sense, style, and space.